GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:4180
ANSWERED ON:19.04.2002
LIMIT ON INVESTMENT BY FOREING COMPANIES
ANANTRAO GUDHE;RAGHUVANSH PRASAD SINGH

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) Whether the Government have fixed some limit lon investment by foreign companies participating in the Indian companies;

(b) If so, the details thereof;

(c) Whether some foreign companies/institutional investors have tried to take over an Indian telecom company;

(d) If so, the details thereof; and

(e) The foreign institutional investors which were involved in this takel over attempt?

Answer

The Minister of State in the Ministry of Commerce and Industry (Shri Rajiv Pratap Rudy)

(a) & (b) as per the extant policy, FDI up to 100% is permitted under the automatic route in most of the activities except a small list. The present FDI policy stipulates FDI limits on the extent lof foreign ownership on strategic considerations in certain sectors such as Telecom services (49%), Defence Industry(26%),DTH(20%), Domestic Airlines(40%), Uplinking hub (broadcasting)(49%), Insurance Sector (26%) and Private sector banking (49%).

(b): No, Sir.

(c) Do not arise